

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte LELAND JAMES WIESEHUEGEL,
REBECCA LYNN ROBERTS,
WILLIMA JAMES MORRISON and
JACOB MARVIN RZEPKA

Appeal 2007-2845
Application 09/801,613
Technology Center 3600

Decided: November 27, 2007

Before HUBERT C. LORIN, LINDA E. HORNER, and
MICHAEL W. O'NEILL, *Administrative Patent Judges*.

MICHAEL W. O'NEILL, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Leland James Wiesehuegel et al. (Appellants) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-23. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION

We AFFIRM.¹

THE INVENTION

The Appellants' invention is a networked computer arrangement and method where providers may communicate information to numerous users about products available and *any other conditions to be met* based on the users' profile. (Spec., 11-12.) This invention is achieved by using off-the-shelf software and hardware. (Spec., 14 and 18-20.) Claims 1, 2, and 3, reproduced below, are representative of the subject matter on appeal.

1. A method for preparing and presenting entitled offerings to guest participants in online offerings a auctions², said guest participants including guest brokers, bidders, buyers and traders, said method comprising the steps of:

providing a profile for each guest in a computer-readable record, each profile containing one or more entitlement definitions indicating allowable items which *a guest may receive information but for which is "read-only" and is to be restricted from placing bids, said entitlement definitions being determined by and controlled by*

a previously-established reseller contract between an offeror and a guest auction participant in a

¹ Our decision will make reference to Appellants' Appeal Brief ("App. Br.," filed October 5, 2005), Reply Brief ("Reply Br.," filed February 21, 2006), the Examiner's Answer ("Answer," mailed December 19, 2005), and the Final Rejection ("Final Rejection," mailed November 23, 2004).

² This phrase "participants in online offerings a auctions" is unclear. For this appeal this phrase is understood to read "participants in online auctions."

manner which prevents a guest auction participant from modifying the entitlement schema³;

preparing one or more entitled offerings through filtering an available items list according to said profiles such that said prepared entitled offerings include only offerings for one or more items to which a guest is allowed offers as defined by the guest's entitlement definitions; and

presenting via a computer user interface said entitled offerings to one or more guests such that each guest may review his or her entitled offerings.

2. The method as set forth in Claim 1 wherein said step of providing a profile with entitlement definitions comprises providing an item category parameter within said entitlement definitions.

THE PRIOR ART

The Examiner relies upon the following as evidence of unpatentability:

Goodwin

2002/0059131 A1

May 16, 2002

THE REJECTION

The following rejection is before us for review:

³ The phrase "the entitlement schema" lacks a clear antecedent basis. For this appeal the phrase's antecedent is "entitlement definitions" found in lines 5 and 7 of claim 1.

Claims 1-23 are rejected under 35 U.S.C. § 103(a) as unpatentable over Goodwin.

ISSUE

The issue is whether Appellants have shown that the Examiner erred in rejecting claims 1-23 under 35 U.S.C. § 103(a) as unpatentable over Goodwin.⁴ This issue turns on whether Goodwin teaches or suggests an agreement that provides for receipt of information but restricts its usage.

FINDINGS OF FACT

We find that the following enumerated findings are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. Goodwin describes a system to provide an auction over the Internet for financial products (commercial loans) in order to reach a large number of buyers. (Goodwin, ¶¶ 0011 and 0052.)
2. The system permits participants that are not necessarily buyers or sellers to “search for, price, and obtain information about financial products for sale.” (Goodwin, ¶ 0063.)
3. Participants have user profiles. These user profiles contain user profile information such as “site wide” user attributes, e.g. username, password, preferences, etc.; and this information varies “depending on

⁴ Only those arguments actually made by Appellants have been considered in this decision. Arguments that Appellants could have made but chose not to make in the Briefs have not been considered and are deemed to be waived. See 37 C.F.R. § 41.37(c)(1)(vii) (2007).

the type of user (e.g., Buyer vs. Seller vs. Quality Control, etc.).”
(Goodwin, ¶ 0093.)

4. Buyers include both those users that have registered with the system (“registered buyers”) and those who have not (“guests”). (Goodwin, ¶ 0099.)
5. Guests have limited ability to access the information that is available to a registered buyer. (Goodwin, ¶ 0099.)
6. Sellers can upload financial product information. This information can be original financial product data or updated financial product data (if the seller resells the financial product.) (Goodwin, p. 9, Table 1, “Upload Financial product Data.”)
7. Quality control representatives are internal users associated with the administrator/owner of the system who can facilitate the relationship between buyers and sellers and fulfill some of the services of the system. (Goodwin, ¶ 0105 and p. 9-10, Table 1.) One service the quality control representative provides is performing an action to qualify a buyer or seller after the buyer or seller has previously registered with the system. (Goodwin, p. 10, Table 1, “Qualify Seller” and “Qualify Buyer.”)
8. Another service shown in Table 1 is performed by the seller. This service is creation of the seller’s profile. (Goodwin, p. 9, Table 1, “Seller Profile.”) The profile stores “preferences, criteria for accepting bids, restrictions on bids (e.g., certain users may be prohibited from bidding), restrictions on access to information

(bidders may be required to sign on and/or acknowledge specific conditions before receiving information),” etc. (Goodwin, ¶ 0111.)

9. The original financial product data or updates to the financial product data (by the seller if the seller is reselling the financial product) is uploaded to the system by PDF format files built from applications downloaded from the system. (Goodwin, ¶ 0122.)

10. Another service provided by the system after receiving a request from a user is either a listing of all financial products, or if the requester has a profile of criteria on the system, those financial products meeting the stored criteria. (Goodwin, ¶ 0125.) In other words, the system “can store a profile of a given user, where the profile specifies criteria that a user may have concerning financial products of interest and, based on that profile, conduct a search for financial products, automatically or upon request by a user.” (Goodwin, ¶ 0126.)

11. Before a user can receive further information, e.g. due diligence materials, with respect to a financial product, the user needs to register with the system. “Registration can require the user to provide specific types of information and may require the user to sign or otherwise acknowledge certain obligations, such as confidentiality obligations, relating to the information to be provided to the user.” (Goodwin, ¶ 0129.)

12. Sellers may have as a condition the requirement that the system obtain certain information from a user before providing that user with some or all the product information. Thus, registration permits the

system to satisfy the sellers' conditions regarding information access. (Goodwin, ¶ 0131.)

13. When the necessary conditions (e.g., registration or other conditions) are met, the system provides the requested information about the financial product to the user. (Goodwin, ¶ 0132.)

14. Users of the system “(including at least Buyers [], Sellers [], and visitors/others)” can price financial products offered for sale. (Goodwin, ¶ 0148 and figure 19.) However, as discussed above only registered buyers and sellers can bid on the financial products.

15. Before a bid is accepted the bidder has to obtain due diligence materials on the financial product. (Goodwin, ¶ 0159.)

16. A seller may have a condition prohibiting specific bidders or types of bidders from being able to bid on the seller's financial product. If the bid or bidder is denied because a preexisting condition imposed by the seller is not met, the system provides a notification. (Goodwin, ¶ 0160.)

17. The level of a person of ordinary skill in the art is evidenced by the prior art patents (Odom and Berent) cited by the Appellant and the prior art printed publications (Goodwin, Quay and Alsberg) cited by the Examiner. These patents and printed publications are in the field of endeavor of using computer networks to transfer information between users. The particular information being transferred is directed to the buying and selling of products and services.

18. The Specification lacks definitions for the terms “reseller” and “contract.”

PRINCIPLES OF LAW

Claims define the subject matter Appellants regard to be their invention. *In re Moore*, 439 F.2d 1232, 1235 (CCPA 1971). In addition, claims are given the broadest reasonable construction consistent with the specification. *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997). The Appellants have the burden to precisely define the invention, not the PTO. *Id.* at 1056. Appellants always have the opportunity to amend the claims during prosecution; a broad interpretation by the Examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. *In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969).

Words in claims “are generally given their ordinary and customary meaning” to a person of ordinary skill in the art at the time of the invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005) (citing *Innova/Pure Water, Inc. v. Safari Water Filtration Systems, Inc.*, 381 F.3d 1111, 1116 (Fed. Cir. 2004)). How a person of ordinary skill in the art understands a claim term “is based on the understanding that inventors are typically persons skilled in the field of invention and that patents are addressed to and intended to be read by others of skill in the pertinent art.” *Id.* at 1313. When interpreting a claim, unless the inventor has set forth a definition for a term that term will be given its ordinary and customary meaning as understood by one skilled in the pertinent art. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains.”” *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, (1966). *See also KSR*, 127 S.Ct. at 1734 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

“In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” 127 S.Ct. at 1739, and discussed circumstances in which a patent might be determined to be obvious without an explicit application of the teaching, suggestion, motivation test.

In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 127 S.Ct. at 1739 (citing *Graham v. John Deere Co.*, 383 U.S. 1, 12 (1966) (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* The Court explained:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars

its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.

Id. at 1740. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

In rejecting claims under 35 U.S.C. § 103(a), the Examiner bears the initial burden of establishing a *prima facie* case of obviousness. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). *See also In re Piasecki*, 745 F.2d 1468, 1472 (Fed. Cir. 1984). It is incumbent upon the Examiner to establish a factual basis to support the legal conclusion of obviousness. *See In re Fine*, 837 F.2d 1071, 1074 (Fed. Cir. 1988). In addition to these factual determinations, the Examiner needs to articulate an apparent reason to combine the known elements in the fashion claimed. *See KSR*, 127 S.Ct at 1740-41.

ANALYSIS

The Appellants argue claims 1, 9 and 17 as a group (App. Br. 3-5). As such, we select claim 1 as the representative claim, and claims 9 and 17 stand or fall with claim 1. 37 C.F.R. § 41.37(c)(1)(vii) (2007).

Both the Examiner and the Appellants agree that Goodwin lacks expressly disclosing a “previously established reseller contract.” (Final Rejection, 3 (incorporated by reference in the Answer, pg. 3)) and (App. Br., 4.) However, as pointed out by the Examiner “[i]f a buyer wants to

participate in a transaction with a seller, they are obligated to bid according to a contractual relationship.” (Final Rejection, 4.) The Examiner’s statement is well reasoned.

The claim recites the phrase “previously existing resellers contract.” This phrase is not found within the Specification other than within the claim itself. The Appellants point to a phrase “Resellers Masters Agreement” and state this phrase should be read as the “previously existing resellers contract” because this “Resellers Masters Agreement” is the only embodiment disclosed within the Specification. (App. Br., 4.) However, to adopt the Appellants’ position would in effect limit the scope of the claim only to the single embodiment described in the Specification, a practice which the Federal Circuit has rejected. *See Superguide Corp. v. DirectTV Enterprises, Inc.*, 358 F.3d 870, 875 (Fed. Cir. 2004) (“[A] particular embodiment appearing in the written description may not be read into a claim when the claim language is broader than the embodiment.”) *See also Liebel-Flarsheim Co. v. Medrad Inc.*, 358 F.3d 898, 906 (Fed. Cir. 2004)(discussing recent cases wherein the court expressly rejected the contention that if a patent describes only a single embodiment, the claims of the patent must be construed as being limited to that embodiment). Therefore, the customary meaning to one skilled in the art “in light of the specification [which includes the claims] as it would be interpreted by one of ordinary skill in the art” governs. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

The terms “previously existing” are “readily apparent even to lay judges, and [this] claim construction ... involves little more than the

application of widely accepted meaning of commonly understood words.” *Phillips*, 415 F.3d at 1314. On the other hand the terms “reseller” and “contract” are terms of art. The Examiner provides evidence of how one skilled in the art would understand the term “reseller” (“one who resells; to resell is to sell again, usually to a new party”). (Answer, 3.) The Appellants do not provide evidence to challenge the Examiner’s definition. The Examiner also provides evidence of how one skilled in the art would understand the term “contract” (“a binding agreement between two or more persons or parties.”) (Answer, 4.) The Appellants do not provide evidence to challenge the Examiner’s definition; but instead deflect the Examiner’s evidence by contending that what Goodwin means by “contract” is not what the Appellants mean by “contract.” (App. Br., 4.) Appellants’ attorney’s arguments in a brief cannot take the place of evidence. *In re Pearson*, 494 F.2d 1399, 1405 (CCPA 1974). *See also In re De Blauwe*, 736 F.2d 699, 705 (Fed. Cir. 1984). Therefore, one skilled in the art would understand the phrase “previously existing reseller contract” to mean an agreement made between two or more parties before a party may resell the product previously sold. This construction comports with the breadth of the Specification. (See Spec., 11-12.)

Goodwin describes multiple parties interested in reviewing, exchanging, restricting, and receiving information in order to buy and sell financial products: guests, buyers, sellers, and quality control representatives (persons that represent the system’s administrator or owner). (Finding of Facts 1, 2, 4, 5, 7, 8, 10, 12, 14.) Each user’s receipt of information varies with their profile. (Finding of Fact 3.) Buyers have greater access to

information than guests. (Finding of Fact 5.) The user has to register with the system to receive the information that must be obtained before being able to bid as a buyer. (Finding of Facts 11 and 15.) A requirement of registration is an acknowledgement of certain conditions associated with receipt of the information. (Finding of Fact 11.) When the user accepts the conditions by acknowledgement the system provides the needed information to make a bid. (Finding of Fact 13.) Thus, prior to receiving information, a recipient has to enter into an agreement (a contract) with the provider of that information. (Finding of Facts 11-13.) Further, the buyer of the financial product can upload updated financial information and become a reseller of the financial product. (Finding of Facts 6 and 9.) Therefore, Goodwin suggests that before needed information pertaining to sale of a good is provided to the buyer, the buyer has to enter into a pre-existing or previously existing contractual relationship. This relationship (agreement) obligates the buyer to conditions. The buyer may resell the financial product; though, the buyer is still obligated to the preexisting contractual relationship. Thus, the agreement between the seller and the buyer (reseller) is a previously-established reseller contract which restricts the usage of information received by the buyer in order to buy the financial product for sale by the seller.

The Appellants contend “our term ‘contract’ is intended to mean a binding agreement between the offeror and the guest broker which is unalterable by the guest broker alone.” (App. Br., 4.) This definition of a “contract” is not found within the Specification, and further the claim language is not limited to require the contract to be “unalterable by the guest

broker alone.” Thus, the Appellants’ argument is not commensurate with the scope of the claim and not persuasive.

The Appellants contend “[w]e have word-searched the HTML version of Goodwin’s disclosure … and there is not a single instance of the word ‘contract’ in the disclosure.” (App. Br., 4.) Although, Goodwin may not expressly use the word “contract,” the intent to obligate a party before services are rendered is present. (Finding of Fact 11.) The same can be said for the Appellants’ contention with respect to the word-search of Goodwin for “agreement.” (App. Br., 5.)

The Appellants argue a proper prima facie case has not been made because there is no “motivation in the cited art.” (App. Br., 5.) The Supreme Court has addressed this overly rigid and formalistic application of the teaching-suggestion-motivation (TSM) test and rejected it. *KSR*, 127 S.Ct. at 1739.

In the Reply Brief, “many of Appellants’ arguments fail from the outset because . . . they are not based on limitations appearing in the claims. . . .” *In re Self*, 671 F.2d 1344, 1348 (CCPA 1982). For example, the implementation of E-SIGN; enactment of state laws governing electronic signatures; and “reseller master agreements” are not within the claims. (Reply Br., 4-6.) Therefore, because these remarks are not commensurate in scope to limitations appearing in the claims, they are not persuasive. For the reasons provided *supra*, the Appellants have not shown that the Examiner erred in rejecting claims 1, 9 and 17

Appellants argue claims 2-5, 10-13, and 22-23 as a group. As such, we select claim 2 to represent these claims. 37 C.F.R. § 41.37(c)(1)(vii) (2007).

For claim 2, the Examiner states the profile in Goodwin can contain an item category parameter. (Final Rejection, 4.) The Appellant agrees Goodwin teaches an item category parameter, but argues that it does not teach using an item category parameter in a profile which is controlled by Appellants' previously-existing Resellers Master Agreement (RMA). App. Br., 5.) However, Appellants' RMA is not claimed. Therefore, the Appellants have not shown where the Examiner erred, because their argument is not commensurate in scope to the claim.

For claims 6-8, 14-16, and 18-21 the Appellants rely on their previous arguments directed to claims 1, 9, and 17. (App. Br., 6.) Thus, we also sustain the rejection of dependent claims 6-8, 14-16, and 18-21 as being unpatentable over Goodwin for the same reasons provided *supra* for claims 1, 9, and 17.

CONCLUSIONS OF LAW

We conclude that the Appellants have not shown that the Examiner erred in rejecting claims 1-23.

DECISION

The decision of the Examiner to reject claims 1-23 is affirmed.

AFFIRMED

Appeal Number 2007-2845
Application 09/801,613

vsh

IBM CORPORATION (RHF)
C/O ROBERT H. FRANTZ
P. O. BOX 23324
OKLAHOMA CITY OK 73123